National News

NAC ELECTS NEW PRESIDENT

Doug Larson, president of Midland Products Company has been elected president of the National Association of Concessionaires. The association's election of officers and directors took place at NAC's annual membership meeting held during Snack Bar University in San Diego. As NAC president Larson intends to carry on the association's goal to promote the professionalization of the industry. This will be accomplished through already existing programs as well as new projects. Larson also wants to increase association activities at the regional level.

Other officers and directors elected at the annual meeting were: Shelley Feldman, Shelley Feldman & Associates, chairman of the board; Bill Rector, Mann Theatres, vice president; Stan Briggs, Lagoon Corporation; Don Loding, Michigan State University; Doug Miller, Bowlerama Limited; Bruce Taylor, Sack Theatres; Ned McKnight, C. Cretors & Co.; Steve Lazar, Good Time Foods; Richard Feldman, A&E Plastics; and Len Gold, Bagcraft Corp. of America.

RKO VIDEO OPENS FIRST STORE IN MANHATTAN

RKO Warner Theatres Video has opened its first video sales and rental store in Manhattan, adjacent to the RKO Warner Twin Theatre on Broadway and 48th Street, it was announced by Michael Landes and Albert Schwartz, co-chairmen of RKO Century Warner Theatres. The new store will feature a complete line of video cassettes for sale and rental, and will concentrate on science fiction, action films, musicals and classics. The store, which is innovatively designed, can be entered directly on Broadway or through the lobby of the RKO Warner Twin Theatre. The common lobby area will feature a special marquee for the video store as well as promotional display materials.

RKO Warner Video opened its first video store in 1984 adjacent to the RKO Route 4 TenPlex in Paramus, New Jersey. While most industry insiders were worried about the competition between filmgoers and video users, RKO Warner management was convinced that the audiences complemented each other. "The customers who come to our theatres for entertainment also want entertainment they can take home," commented Michael Landes, co-chairman of RKO Century Warner Theatres. He further stated that by tapping the filmgoing audience we have a ready-made market for our video cassettes. There is also the convenience factor of having the stores, which stimulate business, right next to our theatres."

In addition to the two locations described above, RKO Warner Video has also opened a store at the RKO Kingsway Theatre in Brooklyn and has plans for expanding the chain to twelve units by the end of the year.

VALENTI HAILS END OF CONN. FILM TAX

Jack Valenti, president of the Motion Picture Association of America, recently hailed the demise of double taxation in the state of Connecticut. Connecticut now joins the states of Tennessee and Iowa by becoming the third state in three months to eliminate the sales tax on film rentals, although all three states still retain a sales tax on admissions.

Valenti emphasized that, "This success would not have been possible without the tireless and dedicated efforts of our full partner, the Connecticut Association of Theatre Owners, and its president, Bud Levy (also president of the Trans-Lux Theatres)."

"Once again," Valenti said, "the MPAA and the National Association of Theatre Owners have demonstrated that there is no limit to what a united industry can accomplish when it works together in the legislatures toward common objectives."

PERENCHIO COMPLETES LOEWS PURCHASE

Jerry Perenchio recently announced that his agreement to purchase the Loews Theatre division from Loews Corporation has been completed. The transaction closed on July 5, 1985. Bernard Myerson, who is partnered with Jerry Perenchio in the acquisition, will continue as the chief executive officer of the theatre chain and has been named chairman of the board and president of the parent company, Loews Theatre Management Corporation. The theatre chain will continue to retain the Loews Theatre name.

VIDEO SALES AND RENTALS APPROACH THEATRICAL TOTALS

According to a survey by the Fairchild Group (commissioned by National Video Inc.), revenues generated by videocassette sales and rentals in 1985 will reach the $3.3 billion mark, which comes to more than two-thirds of total theatrical boxoffice revenues. Moreover, in line with current trends, prerecorded videocassette revenues could in fact exceed current boxoffice grosses by 1986.

Some of the survey's other findings indicate that: approximately 600 million rental transactions will take place this year, resulting in $2.35 billion in rental income, while 26 million sales transactions will result in $931 million in sales income; prerecorded cassette prices will drop from a current average price of $35 to an average of $16 by 1988, and that VCR penetration will increase from 30 percent at the end of this year to 65 percent by 1988.

TBS TO ACQUIRE MGM/UA

As of our press time, the Turner Broadcasting System (TBS) and the MGM/UA Entertainment Co. had agreed to enter into a definitive merger agreement providing for the acquisition of MGM/UA by TBS for $29 cash per share, or an aggregate purchase price of approximately $1.5 billion.

The merger is subject to approval by MGM/UA stockholders.

PENN'S ANTI-BLIND BIDDING LAW DECLARED CONSTITUTIONAL

The constitutionality of a 1980 Pennsylvania statute which bans blind-bidding, exhibition guarantees and advance film rental payments, has been upheld by a Federal judge.

According to Judge Marvin Katz, the member companies of the MPAA, the plaintiffs, had sought to have the anti-blind bidding law declared unconstitutional, contending that "The Act violates their rights to freedom of speech, offends the right of Congress to regulate interstate commerce, is preempted by federal copyright legislation, and is contrary to the Pennsylvania Constitution's prohibition of 'special laws.' "

In his conclusion, however, Katz ruled that, "Trade screening does benefit those exhibitors who use it to select films on the merits of likely boxoffice issues. The requirements of open bidding, prohibiting guarantees and advances and limiting exclusive first runs to 42 days work benefits by promoting wider dissemination of films and fairer trade practices, with little negative impact."

MUSIC CLIP TO HELP LIVE AID

A 35mm Dolby Stereo clip of Mick Jagger and David Bowie performing "Dancin' In The Street" is being offered to theatres, courtesy of Eastman Kodak, the Live Aid Foundation and Music Motions Inc. An appeal for financial support to Live Aid's famine relief efforts is made at the end of the three-minute, 41-second film, when an 800 number appears on screen. The free prints were made available beginning August 23 by Kodak and are being distributed by New York-based Music Motions.

COURT UPHOLDS FRANCE'S 1-YEAR VIDEO WINDOW

The European Court of Justice has upheld the French law which provides for a one-year window between theatrical and videocassette release of feature films.

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